

Testimony in support of SB 4 – February 26 2023

Dear Representative Luxenberg, Senator Moore, and members of the Housing Committee:

My name is William Maxwell Sutter, and I am a resident, homeowner, and landlord in New Haven.

I am testifying in support of a rent cap and in support of SB 4, with changes to better protect tenants.

When I purchased my home, like most buyers, I took out a mortgage. This means I borrowed money from the bank, and I pay that money back in installments every month including interest, which represents the “cost” to the bank of loaning me that money, i.e. revenue the bank is foregoing by lending me the money instead of investing in some other profitable venture. I entered into a fair agreement with the bank, and everyone will be made whole upon me paying the bank the entirety of the principal plus accrued interest of that loan.

No part of the relationship described above is affected in any way by the presence or absence of rent-paying tenants in my home. My tenants enjoy the benefits of living in a desirable neighborhood and the protection of a well-maintained and well-insured property. My tenants, as such, should be responsible for paying the associated costs of those benefits. Property taxes represent the “cost” of living in a particular area in a home of a particular value, insurance premiums represent the risks associated with random disasters, and a nominal maintenance fee represents maintaining a home to a comfortable standard of living. I propose this nominal maintenance fee be capped at one per cent (1%) of the home’s appraised value per year, a typical approximation of a home’s upkeep costs.

I therefore propose that rent for each tenant be capped at the sum of the property taxes plus insurance premiums plus one per cent of a home’s appraised value (divided by the number of residents). I also propose that **no** rent increases should be permissible, since the rent will naturally fluctuate to represent increasing or decreasing property values as the appraised value of a home fluctuates (and therefore affects the taxes and upkeep cost estimate).

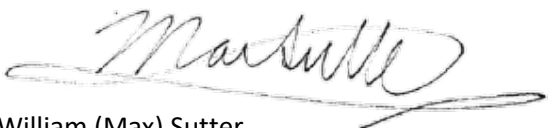
Furthermore, tenants descended from indigenous peoples who occupied Connecticut prior to the arrival of European colonists should be exempt from all rent.

The ability to profit on the ownership of a home is driving the cost of purchasing a home out of reach of most residents, to the point where 72% of New-Haven-dwellers are renters. Absentee and corporate landlords have less incentive to make long-term improvements to their properties, while owner-occupants have every incentive to do so. Aggressively limiting permissible rental income would allow renters to save more, and it would also reduce home prices to allow renters to eventually buy their own home and invest in their physical space and their communities.

In addition to limiting rent, I also support increased protections from evictions, specifically in the form of increasing the mandatory notice period for non-renewal to 30 calendar days, and banning no-fault eviction (and also no-fault non-renewal). Unexpectedly losing housing causes a major disruption in a tenant’s life. Seeking new living arrangements, packing, and moving, takes a lot of time and effort, and without sufficient advance notice to plan around this disruption, a tenant could be forced to take time off work or incur other costs such as last-minute childcare accommodations, which could pose a significant financial setback to some of Connecticut’s most vulnerable residents.

If we want to create a state where residents are encouraged to invest in their homes and communities and build meaningful, productive lives, we need to make quality housing and home ownership accessible to everyone and remove the risk of unexpected or undeserved eviction.

Sincerely,

A handwritten signature in dark ink, appearing to read "Max Sutter", with a long horizontal flourish extending to the right.

William (Max) Sutter
New Haven